

NEW TAXPAYER RIGHTS KICK IN THIS WEEK

WASHINGTON -- Starting this week, taxpayers have a new set of rights when the Internal Revenue Service seeks to collect past-due taxes.

The new rules, which took effect Jan. 19, guarantee a taxpayer's right to due process when facing an enforced collection action by the IRS. These new protections form part of a sweeping set of expanded taxpayer rights, many of which started last year following enactment of the IRS Restructuring and Reform Act of 1998.

"Safeguarding taxpayer rights is something we take very seriously," said Charles O. Rossotti, Internal Revenue Commissioner. "These new protections represent another step in our efforts to assist taxpayers."

The provisions starting this week on collection actions give taxpayers the right to request an administrative hearing before an impartial appeals officer within 30 days after a notice of lien has been filed or a notice of intent to levy has been sent. In addition, the IRS will provide the taxpayer with a written notification about this appeals right.

If the taxpayer requests a hearing during this period, the proposed levy may not take place until after the appeals officer makes a finding. The taxpayer also has 30 days to decide whether to challenge the appeals finding in U.S. Tax Court or U.S. District Court. The IRS may not levy on the taxpayer's property during this time.

During this process, the taxpayer may also request that the IRS consider collection alternatives, such as an installment agreement, to pay off the tax bill.

Other provisions of the new law make it easier for a taxpayer to obtain an installment agreement with the IRS. This part of the law, which took effect last year, creates guaranteed access to installment payment agreements in certain cases where the taxpayer owes \$10,000 or less in income taxes.

To qualify, several conditions must be met:

- The taxpayer must have filed income tax returns and paid his or her tax bill during the previous five years.

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- The taxpayer cannot have entered into any installment agreements during the previous five years.
- The taxpayer cannot pay the entire tax bill immediately.
- The taxpayer agrees to pay off the installment agreement in three years.
- The taxpayer agrees to comply with the tax law and follow the terms of the installment agreement.

After Dec. 31, 1999, the failure to pay penalty will be cut in half for taxpayers who have made installment agreements with the IRS. As part of the new law, the monthly penalty rate on the amount owed drops from 0.5 percent to 0.25 percent.

Taxpayers with questions about the new provisions for collection actions or any other areas should call the toll-free IRS help line at 1-800-829-1040, which is available 24 hours a day.

"We encourage taxpayers to exercise these new rights to the fullest," Rossotti said.

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